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## FISCAL IMPACT REPORT

**SPONSOR** Feldman      **DATE TYPED** 01/21/05      **HB** \_\_\_\_\_

**SHORT TITLE** 24-Hour Nurse Health Advice Phone Line      **SB** 206

**ANALYST** Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$600.				Non-Recurring	GF

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

Developmental Disabilities Planning Council (DDPC)

### **SUMMARY**

#### Synopsis of Bill

SB 206 appropriates \$600 thousand from the general fund to the DOH for start-up funding to establish phase one of a twenty-four-hour nurse health access telephone advice line and to contract with a statewide consortium of safety net providers with a web-based system of care coordination. This advice line would coordinate services to benefit the health of New Mexicans regardless of insurance status.

SB 206 contains an emergency clause.

#### Significant Issues

Telephone triage is only a small part of the telehealth movement that is sweeping the nation. In New Mexico, the HPC and DOH report Medicaid Salud!, managed care organizations and several other insurance plans such as Presbyterian, Molina, Blue Cross/Blue Shield and Lovelace Sandia, provide 24-hour telephone lines to appropriately manage care and reduce unneeded emergency room or physician office utilization. This service is contacted with out-of-state providers. There is currently no resource available for non-members of these health plans to seek after hours advice. The advice line has the potential to support economic development and save resources for the state by pooling funds currently spent for several telephone advice line providers.

A nurse health and care coordination advice line could offer needed information and guidance so patients could manage their illnesses earlier and avoid costly and overcrowded emergency room visits. Many uninsured patients encounter economic, transportation, and cultural obstacles that impede healthcare access. A readily available nurse triage service may reduce these barriers. Uninsured patients often lack a primary care physician and either delay care, or utilize the emergency department. The HPC report studies have shown the uninsured patient may be less likely to defer needed care if so advised by a telephone advice-line nurse.

According to the HPC, when a call comes in the 24-hour advice line nurse assists the caller with predetermined lines of inquiry (computer algorithms) for hundreds of common symptoms. The nurse's questions, prompted by the computer program, narrows the range of possible conditions, and the nurse instructs the caller about the urgency of receiving professional care or recommends simple home care if professional assistance is unnecessary. A database of New Mexico's care delivery and social services resources would need to be developed and maintained to facilitate care coordination.

### **PERFORMANCE IMPLICATIONS**

SB 206 supports the DOH Strategic Plan in Program Area 2: Health Care Delivery – Public Health Division, Strategic Direction: Improve access to health services.

The HPC reports concerns SB 206 could violate Stark laws (inducement of Medicare patients to a particular facility). An advice line nurse may develop a rapport with providers of care that may be seen as a conflict of interest. In addition, the quality and effectiveness of a state sponsored line might influence a health plan's decision to continue their own nurse advice lines.

### **FISCAL IMPLICATIONS**

The appropriation of \$600 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund. According to the DOH, the appropriation was not part of the Executive Budget Recommendation submitted in 2004 and reviewed by the LFC.

The DOH reports the appropriation is for start-up costs such as infrastructure set-up, recruitment, training, computer and software purchasing. Future funding opportunities may exist by looking at existing Salud dollars to the Medicaid Managed Care Organizations for their advice lines, dollars from commercial insurance providers, foundation and grant funds. Existing providers and health plans would benefit from a reduction in bad debt from lowered uninsured use of their emergency departments.

The DOH states the appropriation is non-recurring, however there is likely to be additional costs associated with salaries, continuing education and maintenance of systems costs. The American Institute for Preventative Medicine reports nurse advice lines cost \$10 to \$12 per family per year, and only 10% of the people with access to the service will call it.

### **ADMINISTRATIVE IMPLICATIONS**

The DOH states the provision of SB 206 could be implemented with existing staff. However, it is likely additional nursing staff would have to be hired and trained.

SB 206 is in alignment with New Mexico's efforts in local and state emergency management planning and response, and public health anti-terrorism activities. Emergency preparedness is currently hampered by lack of a statewide, accessible system to share vital medical information with the community.

The HPC suggests pursuing contracting with existing health plans who already know the care coordination; nursing and legal issues associated with telephone advice lines.

## TECHNICAL ISSUES

The HPC would like to see "statewide consortium of safety net providers" defined in SB 206.

AMENDMENT proposed under Section 1, line 23, "...to benefit the health of all New Mexico residents..." might address the issue of providing advice for people living outside of New Mexico, a liability concern addressed by the HPC. An alternative might be a telephonic system in place identifying callers as from within the state.

AMENDMENT proposed in description under AN ACT, to add the word "registered" to line 11, "...TWENTY-FOUR-HOUR registered nurse ...", as Licensed Practical Nurses are typically excluded from this form of employment.

## OTHER SUBSTANTIVE ISSUES

The DOH reports:

- New Mexico has one of the highest rates of uninsured people in the U.S. (25.6 percent of non-elderly), and 29 of its 33 counties are designated as Medically Underserved Areas and Health Professions Shortage Areas. These problems are exacerbated by large geographic size and sparsely populated rural counties. The Primary Care Collaboration (PCC), a task force consisting of representatives of public-private healthcare stakeholders, DOH and Managed Care Organizations, in addition to the Health Care Coverage and Access Task Force, has determined the need to establish statewide access to health advice 24 hours a day for all New Mexicans.
- A statewide 24-hour nurse health access telephone advice line could have significant impact on the health and safety of New Mexicans and reduce stresses on the current delivery systems. Health care costs would be reduced by improving access to primary care, increasing assignment of uninsured to a primary care provider, and providing relief to overcrowded Emergency Rooms. The advice line would also improve retention and recruitment of physicians to rural areas by providing night-time relief for rural providers. The toll free line would provide a system to monitor the types of calls coming in, allow epidemiologists to evaluate trends, and offer an additional means of providing information to the public during state health emergencies. Data collected via a nurse advice line could be used to detect disease outbreaks early so that spread can be limited.
- Nurses who would answer questions, offer advice and identify local resources would provide services in English and Spanish. Nurses would also need to receive training in working with persons with developmental disabilities. The 24-hour nurse health access telephone advice line would be linked with other social service and emergency lines, including 911, 211, Consumer Hotline, Substance Abuse Referral, State Agency on Aging Information and Referral, the NM Poison Center, and others.

The HPC reports:

- The findings of a recent study on the effectiveness of telephone advice lines show 75% of callers followed advice seeking emergency department care, 52% followed advice to visit/call the physician's office, and 91% followed stay at home advice. Researchers have found that nearly 70% of patients changed their plans for seeking care after calling the advice line, with nearly two-thirds of these patients changing to a lower intensity of care (American Journal of Managed Care August 2004).
- A budget that takes into account the size of the target population, the expected volume of calls, and the cost and risk management implications of providing advice would be needed. Costs could vary substantially, depending on whether the program can share services with other telephone-based services, whether it includes any fixed costs of operations, and if it can be purchased on a per-call basis or must be created in total internally.
- There are potentially significant legal risks to the state as financing agent for such a service. For example, a telephone-triage nurse working for Kaiser Permanente recommended that a sick infant be taken to a hospital 42 miles from home because closer medical centers were not part of the HMO's discount plan. The baby suffered a heart attack en route, and in 1995 a jury found Kaiser Permanente liable for bad medical advice and awarded the child's parents \$46 million. (Medical Economics, June 1996).
- Additional issues arise when nurses give advice to callers in different states. Health providers or plans may risk sanctions by rendering services to a patient in a state where the health provider is not licensed. Although no reported licensure action against a national 24-hour advice line for operating without a license has been found, at least one managed care provider has been penalized for providing services in several jurisdictions without the appropriate licenses. (*RN*, March 1996). Each state has a different definition of what constitutes the practice of medicine and practice of nursing. Even if a nurse's advice is within the purview of a nursing board in one state, the same advice might not be permitted under the nurse's license in another state and might instead constitute an unlawful practice. This issue has likely been resolved with New Mexico health plans with members who reside in other states, but work and have health insurance from a New Mexico employer. However, this would require further research.

## **ALTERNATIVES**

Insured persons would continue to use services under their health plans.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Uninsured or persons with limited resources may pursue emergency departments for non-urgent situations, or may delay care in life threatening situations.

## **POSSIBLE QUESTIONS**

How will TTY and similar devices be made available for use by persons with disabilities?

Will there be any recognition for people who do not have telephones?

How many other states have 24-hour health access nurse advice lines?

**AHO/lg**